

**CRITICAL QUESTIONS REGARDING
SCHOLARSHIPS AND STUDENT FINANCIAL AID
University of North Carolina at Chapel Hill
Academic Year 2004-05**

Need-based student financial aid enables qualified students, who otherwise could not afford the cost of college, to attend the University. Merit aid recognizes and rewards student talent and achievement and helps the University compete for highest-achieving students. Both are important sources for the recruitment and retention of undergraduate and graduate/professional students at the University.

The Office of Scholarships and Student Aid, the Office of Institutional Research, and the Faculty Committee on Scholarships, Awards and Student Aid will continue to perform research and examine the following questions throughout the 2004-05 academic year:

A. Questions Related to Campus Enrollment Planning:

1. How many more students will likely need financial aid under different enrollment growth scenarios, and in what types and amounts?
2. How will likely tuition and fee increases at the state or campus level impact the need for additional grant aid, and for whom?
3. What impact does the Carolina Covenant have on the University's efforts to strengthen economic diversity and recruit students of color and first generation college students?
4. What is the cost of implementing the Carolina Covenant at the 150% poverty level, and also at the 200% poverty level? What sources will be used to cover these cost increases?
5. Should Carolina expand merit-based aid, and if so, for whom and in what amounts? What sources should be used to cover these costs, if merit scholarships are expanded?
6. Should merit scholarships remain at a constant amount for four years, or be increased each year as costs rise in order to protect the "purchasing power" of those grants?
7. What legally permissible steps can the University take in efforts to recruit more high-achieving minority students? How do our campus diversity goals impact our administration of both need-based and merit scholarships?

B. Recurring Questions Related to the Distribution and Allocation of Aid:

1. What is the proper balance between:
 - a. need-based and merit aid;
 - b. aid to graduate/professional and undergraduate students;
 - c. aid to in-state and out-of-state students?

2. What are the appropriate relative roles of the student, the family, the institution, the state government and the federal government in paying for one's education? And, to what extent should each party reasonably be expected to contribute?